

AFFIDAVIT

I, BJ Kang, being sworn, state:

INTRODUCTION AND AGENT BACKGROUND

1. I have been a Special Agent with the Federal Bureau of Investigation (“FBI”) since 2005. During that time, I have participated in numerous investigations of fraud relating to the securities markets, including accounting fraud, market manipulation, insider trading, and Ponzi schemes. I have conducted or participated in arrests, the execution of search warrants, surveillance, debriefings of informants, and reviews of recorded conversations and securities trading records. I am currently assigned to the FBI Washington Field Office (“WFO”) criminal computer intrusion squad, where I investigate crimes involving computer intrusions and other cyber-related matters. Before my assignment to WFO, I was a Supervisory Special Agent at FBI cyber headquarters, where I provided support to financially-motivated cyber intrusion investigations. I have also received training in cyber-crime investigation techniques, computer evidence identification, and analyzing and tracing digital currency.

2. I am a “federal law enforcement officer” within the meaning of Fed. R. Crim. P. 41(a)(2)(C), that is, a government agent authorized to enforce criminal laws and duly authorized by the Attorney General to execute warrants issued under the authority of the United States.

3. I make this affidavit in support of an application for a complaint charging KRIS BORTNOVSKY, also known as KRIS BORT, and RYAN SHAPIRO with conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371, and contrary to Title 15, United States Code, Sections 78j(b) and 78ff(a), and for a warrant to arrest BORTNOVSKY and SHAPIRO on this charge.

4. I have personally participated in the investigation, and the facts in this affidavit come from, among other things, my personal observations, my training and experience, publicly available information, information obtained from the Securities and Exchange Commission (“SEC”), and information obtained through legal process, Court orders, and Court-authorized search warrants. Unless otherwise noted, all times are set forth in Eastern Time and are approximate. This affidavit is intended to show that there is probable cause for the requested complaint and arrest warrant and does not set forth all of my knowledge about this matter.

Overview

5. As set forth below, there is probable cause to believe that BORTNOVSKY and SHAPIRO, together with others, engaged in an insider trading scheme in which they traded in the stocks of certain publicly traded companies — including Designer Shoe Warehouse (“DSW”), At Home Group, Inc., Aphria, Inc., and Rite Aid Corp. — based on material, nonpublic information (“MNPI”) regarding the earnings results and merger-and-acquisition activity of those companies.

Key Individuals and Entities

6. BORTNOVSKY is a resident of Florida who previously resided in New York. BORTNOVSKY has been a financial-services professional for more than 20 years. At times relevant to this affidavit, BORTNOVSKY was the president and co-founder of Sakal Capital Management, LLC (“Sakal Capital Management”), a privately held asset management firm incorporated in Delaware, and managed the Sakal US Fund LLC (“Sakal US Fund”).

7. SHAPIRO is a resident of Florida. SHAPIRO is an entrepreneur and was the founder of Fynd Technologies, Inc. (“FYND”), a privately held company that manufactured

personal tracking devices, and JPay, a privately held company that offered money transfer and other technology-related services to incarcerated inmates.

8. Cooperating Witness 1 (“CW-1”) is a resident of Florida and, at relevant times, was an investor in the Sakal US Fund. CW-1 was also an investor in FYND.¹ CW-1 is a relative of Individual 1 and Individual 2.²

9. Individual 1 was, at relevant times, a member of the board of directors of DSW, a publicly-traded footwear and accessories retailer based in Columbus, Ohio.³ Between in or about February 2018 and November 2018, Individual 1 was also a member of the board of directors of Green Growth Brands (“GGB”), a retailer of cannabis-related products also based in Columbus, Ohio.⁴ Individual 1 is a close relative of Individual 2.

10. Individual 2 was, at relevant times, the chairman of DSW’s board of directors and a member of the board of directors of Albertsons Companies, Inc., a supermarket chain based in Boise, Idaho.

¹ On or about September 1, 2017, CW-1 sent a message to SHAPIRO: “U make me money on Fynd and I’ll make u money on stocks.”

² CW-1 is expected to plead guilty to a felony in connection with CW-1’s conduct as set forth herein and has entered into a cooperation agreement with the government. CW-1 is cooperating in the hope of obtaining leniency when CW-1 is sentenced. As set forth herein, the information CW-1 has provided has been corroborated by various sources of information, including documents, emails, messages, telephone toll records, and trading records.

³ In or about March 2019, DSW changed its name to Designer Brands Inc. It has traded on the New York Stock Exchange (“NYSE”) since then under the ticker symbol DBI.

⁴ In or about November 2018, Individual 1 became a party, through an investment entity, to a “Board Observer Agreement” that provided, in substance, that he owed duties of loyalty and

11. Individual 3 was, at times relevant to this affidavit, a businessman and, with BORTNOVSKY, a co-founder of Sakal Capital Management.

12. Individual 4 was, at relevant times, a business partner of Individual 3.

13. Individual 5 was, at relevant times, an employee of Sakal Capital Management.

14. Individual 6 is a close relative of CW-1.

15. BORTNOVSKY was, with Individual 3, a co-signer on brokerage accounts Sakal Capital Management maintained at E*TRADE Securities, LLC (“E*TRADE”), an online brokerage firm (the “Sakal Accounts”).

16. Aphria, Inc. was a producer and distributor of cannabis products based in Leamington, Ontario, Canada. At relevant times, Aphria traded on the NYSE under the ticker symbol APHA.

17. Rite Aid Corp. is a drugstore chain based in Philadelphia, Pennsylvania. It trades on the NYSE under the ticker symbol RAD.

18. Kimco Realty Corp. (“Kimco”) is a real estate investment trust based in Jericho, New York. It trades on the NYSE under the ticker symbol KIM. Kimco owns interests in numerous shopping centers and, at relevant times, held an ownership stake in Albertsons.

19. At Home Group, Inc., is a retailer of home décor products based in Plano, Texas that, at relevant times, traded on the NYSE under the ticker symbol HOME.

confidentiality to GGB “commensurate” with those owed by the company’s directors and would not use or disclose to anyone “any confidential or proprietary information” relating to GGB’s “business and affairs.”

PROBABLE CAUSE

20. In interviews with investigators, CW-1 has acknowledged CW-1's involvement in a scheme to obtain MNPI about various publicly-traded companies from CW-1's relative, Individual 1, and to execute securities trades on the basis of that MNPI. CW-1 has also acknowledged that CW-1 provided the MNPI to BORTNOVSKY and SHAPIRO, in violation of the duties of trust and confidence CW-1 owed Individual 1, so that BORTNOVSKY and SHAPIRO could also trade on it. According to CW-1, CW-1 told BORTNOVSKY and SHAPIRO, in sum and substance, that CW-1 had obtained the MNPI from Individual 1, and that CW-1 was providing it to them without Individual 1's knowledge or consent.

Trading Ahead of DSW's Second Quarter 2017 Earnings Announcement

21. CW-1 told investigators that, in or about August 2017, prior to the public announcement of DSW's second quarter 2017 earnings, CW-1 learned from Individual 1, in substance, that DSW was performing well financially. CW-1 also told investigators that, in or about that month, CW-1 traveled to Italy to attend a wedding. While there, CW-1 had several phone calls with Individual 1 who, as previously noted, was a member of the board of directors of DSW. According to CW-1, CW-1 called Individual 1 to solicit inside information about DSW. CW-1 told Individual 1 that CW-1 had lost a lot of money trading in the shares of another shoe retailer, Foot Locker, Inc. Individual 1 responded that DSW was "crushing it."

22. CW-1 said that thereafter, while in possession of the inside information about DSW's financial performance that CW-1 had obtained from Individual 1, CW-1 purchased securities of DSW. CW-1 said CW-1 also shared the inside information with BORTNOVSKY,

so that BORTNOVSKY could trade on it, and asked BORTNOVSKY which DSW stock options CW-1 should purchase based on the information.

23. According to CW-1, BORTNOVSKY was aware that CW-1 obtained the inside information from Individual 1, who obtained it in his capacity as a director of DSW, and BORTNOVSKY was also aware that CW-1 provided the information to BORTNOVSKY in violation of CW-1's duties of trust and confidence to Individual 1.

24. I have reviewed telephone toll records confirming that CW-1 was in frequent telephone contact with both BORTNOVSKY and Individual 1 in or about August 2017. The timing of those calls often corresponded with trading by CW-1 and BORTNOVSKY in the securities of DSW.

25. For example, on or about August 13, 2017, CW-1 placed two calls to Individual 1, and received two calls from Individual 1. On or about the following day, August 14, 2017, CW-1 received a call from Individual 1 at 6:35 p.m.

26. The next morning, August 15, 2017, CW-1 received a call from BORTNOVSKY at 7:57 a.m. Immediately after hanging up, CW-1 called Gryphon Financial Partners ("Gryphon"), an Ohio-based investment advisory firm that managed CW-1's brokerage accounts at Fidelity Investments ("Fidelity"), a brokerage and financial services firm based in Boston, Massachusetts. CW-1 exchanged several additional calls with Gryphon between 9:16 a.m. and 9:58 a.m.

27. At 10:40 a.m., CW-1 received a call from Individual 1. Immediately after this call, at 10:43 a.m., CW-1 placed another call to Gryphon. Within the next hour, CW-1 exchanged five more calls with Gryphon.

28. Within minutes of CW-1's calls to Gryphon, the firm began placing orders to purchase call options and shares of DSW in CW-1's brokerage accounts at Fidelity.⁵ For example, starting at 10:54 a.m., CW-1 purchased 794 DSW \$17.50 call option contracts, with a September expiration date. On that day, DSW's shares traded within a range of \$15.90 and \$16.75 per share. The option trades were executed through Fidelity's trading unit, Fidelity Capital Markets, in Boston, Massachusetts. Starting at 11:13 a.m., CW-1 also purchased 17,363 DSW shares in CW-1's Fidelity accounts.

29. At 11:33 a.m., CW-1 called BORTNOVSKY, who was in Italy at the time.⁶ Approximately two minutes after the call ended, BORTNOVSKY's Sakal US Fund purchased approximately 35,000 DSW shares in the fund's E*TRADE account.

30. CW-1 has advised investigators that on several occasions, after providing MNPI to BORTNOVSKY, CW-1 and BORTNOVSKY exchanged text messages that falsely suggested the information CW-1 provided BORTNOVSKY was not inside information. CW-1 has advised that in each of these instances, both CW-1 and BORTNOVSKY were aware that these messages were untrue, because CW-1 had told BORTNOVSKY that the information came from Individual 1, and that the text messages were designed to create a cover story in the event their trading activity was ever subject to regulatory or law enforcement scrutiny.

⁵ Call options are a way of profiting from the near-term appreciation of a stock's price, but such options are worthless if the stock's price does not appreciate by at least the cost of the option by the time the option expires.

⁶ BORTNOVSKY flew from New York to Rome, Italy on or about August 12, 2017, and returned on or about August 22, 2017.

31. I have reviewed a screenshot saved on CW-1's phone of one such text message exchange set forth below between CW-1 and BORTNOVSKY. The metadata associated with the screenshot indicates that it was taken on or about August 15, 2017 at 11:41 a.m., immediately after a call between CW-1 and BORTNOVSKY, and shortly before the Sakal US Fund purchased DSW shares.

CW-1:	I'm taking a big gamble and going heavy on DSW pre-earnings
CW-1:	Real heavy
CW-1:	I think they are way undervalued
CW-1:	And I think there could be significant upside.
BORTNOVSKY:	Good luck
BORTNOVSKY:	Call me please
CW-1:	Ok will do
CW-1:	Call you soon but to be clear and for the record I don't have any sort of special insight or info or anything like that. Just a feeling
BORTNOVSKY:	I didn't think anything different

32. On or about the following day, August 16, 2017, CW-1 called Individual 1 at 2:13 p.m. At 4:01 p.m., BORTNOVSKY called CW-1. At 6:39 p.m., Individual 1 called CW-1. That night, CW-1 flew from Miami, Florida to Rome, Italy.

33. On or about August 17, 2017, while in Italy, CW-1 placed at least three calls to Gryphon. The next day, August 18, 2017, CW-1 called Individual 1 at 7:29 a.m., and then exchanged at least 21 calls over the next three hours with Gryphon.

34. That same day, between 9:53 a.m. and 10:11 a.m., CW-1 purchased 1,360 DSW September call option contracts, with a \$17.50 strike price, as well as 163 October call option contracts with a \$17.50 strike price, and a total of approximately 48,760 DSW shares. The trades were placed in several of CW-1's Gryphon-managed Fidelity accounts, including a trust account for the benefit of his spouse, and the options trades were once again executed through Fidelity's trading operations in Boston, Massachusetts. At 10:11 a.m., CW-1 called Individual 1 from Italy, and then immediately placed two more calls to Gryphon. The very next call CW-1 received, at 10:34 a.m., was from Individual 1.

35. That same day, between 10:16 a.m. and 2:37 p.m., BORTNOVSKY's Sakal US Fund purchased approximately 127,000 DSW shares for approximately \$2 million. During that same four-hour interval, BORTNOVSKY called CW-1 at 10:51 a.m., from Italy, and CW-1 called BORTNOVSKY back at 11:18 a.m. Immediately thereafter, CW-1 called Individual 1. BORTNOVSKY called CW-1 again at 1:39 p.m.

36. I have reviewed a screenshot of the following text message exchange between CW-1 and BORTNOVSKY that, according to associated metadata, was taken on or about the same day, August 18, 2017, at 2:08 p.m.

CW-1:	Would be so nice if somehow this thing didn't get so killed today
BORTNOVSKY:	I know
CW-1:	Would u buy Sept or October DSW calls?
BORTNOVSKY:	Oct better
CW-1:	Sept riskier but more juice if they do well with earnings??
BORTNOVSKY:	Just because I think you can see shares get back above 21

BORTNOVSKY: Yes

BORTNOVSKY: But you'll be limited because very little time

CW-1: Maybe I'll do half and half

37. Two days later, on or about August 20, 2017, Individual 1 called CW-1 at 2:09 p.m.

38. The following day, August 21, 2017, BORTNOVSKY purchased additional DSW shares in the Sakal US Fund account at E*TRADE, as well as DSW September and October call options in the Sakal Capital Management account, and DSW shares in his personal account, bringing the combined holdings of DSW securities in those accounts to more than \$4 million.

39. On or about that same day, Individual 3 exchanged numerous calls with BORTNOVSKY between 5:15 a.m. and 9:57 a.m. Beginning at 9:42 a.m., an online brokerage account at PNC Investments, LLC in the name of Individual 3's business partner, Individual 4, purchased 89,694 shares of DSW. I am aware, based on documents I have reviewed, that BORTNOVSKY had trading authority over Individual 4's PNC account, as well as an agreement with Individual 4 that BORTNOVSKY would receive a percentage of any profits earned on that trading. Based on the foregoing, I believe that BORTNOVSKY placed the DSW trades in Individual 4's account.

40. At 12:09 p.m., BORTNOVSKY received a wire transfer of \$300,000 in his personal E*TRADE account from a close relative. I have reviewed documents indicating that on that same day, BORTNOVSKY borrowed \$600,000 from Individual 3. BORTNOVSKY used all of that money to purchase DSW securities. Specifically, as noted above, BORTNOVSKY

purchased approximately 76,500 shares of DSW in his personal E*TRADE account, at a cost of approximately \$1.2 million, starting at 12:22 p.m.

41. At 3:44 p.m., Individual 5, who works for BORTNOVSKY at Sakal, purchased six DSW call option contracts in his personal brokerage account at Charles Schwab OptionsXpress, an online brokerage firm.

42. At 7:00 a.m. the following day, August 22, 2017, DSW announced quarterly financial results that exceeded analysts' expectations for the second quarter of 2017. Following the announcement, DSW's share price increased by approximately 20 percent relative to its prior closing price, from \$15.69 to \$18.85 per share.

43. At 7:50 a.m., CW-1 called Individual 1. CW-1 received a call from Individual 1 at 9:32 a.m. CW-1's very next call, approximately five minutes later, was to Gryphon. At 9:47 a.m., CW-1 received a call from Gryphon. At 9:52 a.m., CW-1 received a call from Individual 1. At 10:04 a.m., CW-1 called Gryphon for approximately three minutes. During this call, CW-1 received an incoming call from Individual 1. CW-1 then placed two more calls to Gryphon. At 10:32 a.m., CW-1 called Individual 1. Between 10:35 a.m. and 12:39 p.m., CW-1 exchanged numerous calls with Gryphon. Throughout the day, CW-1 exchanged approximately seven more calls with Individual 1.

44. On or about August 23, 2017, CW-1 received a call from Individual 1 at 7:08 a.m. CW-1's very next call was from BORTNOVSKY, at 7:54 a.m. At 10:29 a.m., CW-1 called Gryphon. CW-1's very next call, at 10:37 a.m., was from BORTNOVSKY, for approximately six minutes. Immediately after that call ended, CW-1 called BORTNOVSKY back for approximately four minutes. Approximately one minute after the call with BORTNOVSKY,

CW-1 called Gryphon, and then exchanged two more calls with Gryphon at 10:53 a.m. and 10:56 a.m. At 10:59 a.m., CW-1 received a call from Individual 1. At 11:03 a.m., CW-1 called Individual 1. At 12:16 p.m., CW-1 received a call from BORTNOVSKY.

45. On or about August 22 and 23, 2017, BORTNOVSKY sold the entire DSW position in the Sakal Accounts and in his personal account for a combined profit of nearly \$1.2 million, representing a return on his investment of approximately 31 percent. CW-1 likewise sold the entire DSW position in his Gryphon-managed Fidelity accounts for a total profit of approximately \$506,000. On or about the same days, the DSW shares in Individual 4's PNC account were sold for a profit of approximately \$290,000, and Individual 5 sold his DSW call options for a profit of approximately \$600.

46. On or about August 23, 2017, BORTNOVSKY wired back to Individual 3 the \$600,000 he had borrowed two days earlier.

Trading Ahead of the Expected Acquisition of At Home Group

47. CW-1 has advised investigators that, in or about 2017, BORTNOVSKY told CW-1 to acquire shares of At Home because the company would report strong earnings, and that based on that tip, CW-1 acquired shares of At Home and told SHAPIRO to do the same. CW-1 further advised that later, in or about the late summer or early fall of 2017, BORTNOVSKY told CW-1 to come to his residence in New York City. According to CW-1, after instructing CW-1 to turn off his cell phone, and taking him to a different room, BORTNOVSKY told CW-1 that BORTNOVSKY was close to a board member of At Home who had told him that the company was going to be acquired. CW-1 said he passed this inside information to SHAPIRO.

48. CW-1 said that SHAPIRO wanted to sell his position in At Home, which SHAPIRO had purchased based on BORTNOVSKY's tip that its quarterly earnings would be strong. But when CW-1 told BORTNOVSKY this, BORTNOVSKY told CW-1 to tell SHAPIRO not to sell the stock. According to CW-1, BORTNOVSKY said he would cover any loss in the value of SHAPIRO's shares, in exchange for 50 percent of any increase in their value. According to CW-1, SHAPIRO agreed to this deal.

49. I am aware that after the stock market closed on or about September 5, 2017, At Home reported strong quarterly earnings that exceeded market expectations. I have also reviewed information that At Home provided to the SEC, which indicates that in or about July 2017, Hellman & Friedman LLC ("H&F"), a private equity firm, expressed interest in acquiring At Home to AEA Investors LP, a private equity firm that held a major stake in the company. The At Home board of directors was advised of H&F's interest on or about July 31, 2017, and At Home and H&F entered into a confidentiality agreement one week later. According to At Home, negotiations concerning a potential acquisition ended on or about August 29, 2017.⁷

50. I have reviewed communications involving, variously, CW-1, SHAPIRO, and BORTNOVSKY — including emails and text messages — that were obtained pursuant to Court-authorized search warrants and by consent. As set forth below, the communications confirm that, no later than in or about August 2017, BORTNOVSKY provided information about At Home to CW-1, and CW-1 provided information about the company to SHAPIRO. The

⁷ On or about May 6, 2021, H&F announced that it was acquiring At Home for \$36 per share in cash. The purchase closed in or about July 2021, after H&F increased its offer to \$37 per share.

communications I have reviewed also confirm that in or about September 2017, BORTNOVSKY and SHAPIRO entered into an agreement, brokered by CW-1, pursuant to which BORTNOVSKY agreed to assume the risk of a decline in the value of SHAPIRO's investment in At Home in exchange for half of any increase in that value. I have also reviewed email and financial records that confirm that SHAPIRO later wired BORTNOVSKY a portion of the proceeds of SHAPIRO's trading in shares of At Home.

51. For example, on or about August 23, 2017 — the same day that BORTNOVSKY and CW-1 were both selling their remaining shares of DSW, as set forth above — BORTNOVSKY emailed CW-1 news articles reporting that analysts at two Wall Street firms, KeyBanc and Jefferies & Co., were optimistic about At Home's stock price in the days leading up to its quarterly earnings report. CW-1 responded, "Crap. So it's gonna be tough to buy cheaper than what it's at now." BORTNOVSKY replied, "You don't know that. Key Banc came out last week and stock yesterday hit 20 and change."

52. On or about August 28, 2017, CW-1 purchased 10,000 shares of At Home at an average price of \$24 per share. BORTNOVSKY also began purchasing At Home shares and call options that same day.⁸ CW-1 purchased additional shares of At Home between August 29, 2017 and August 31, 2017. On or about August 31, 2017, CW-1 messaged SHAPIRO, "Tomorrow, I want you to buy \$500k-\$1m of HOME, with a limit of \$24.65." SHAPIRO responded, "Should I put order in now?" and then added, "Need to know more." CW-1 replied

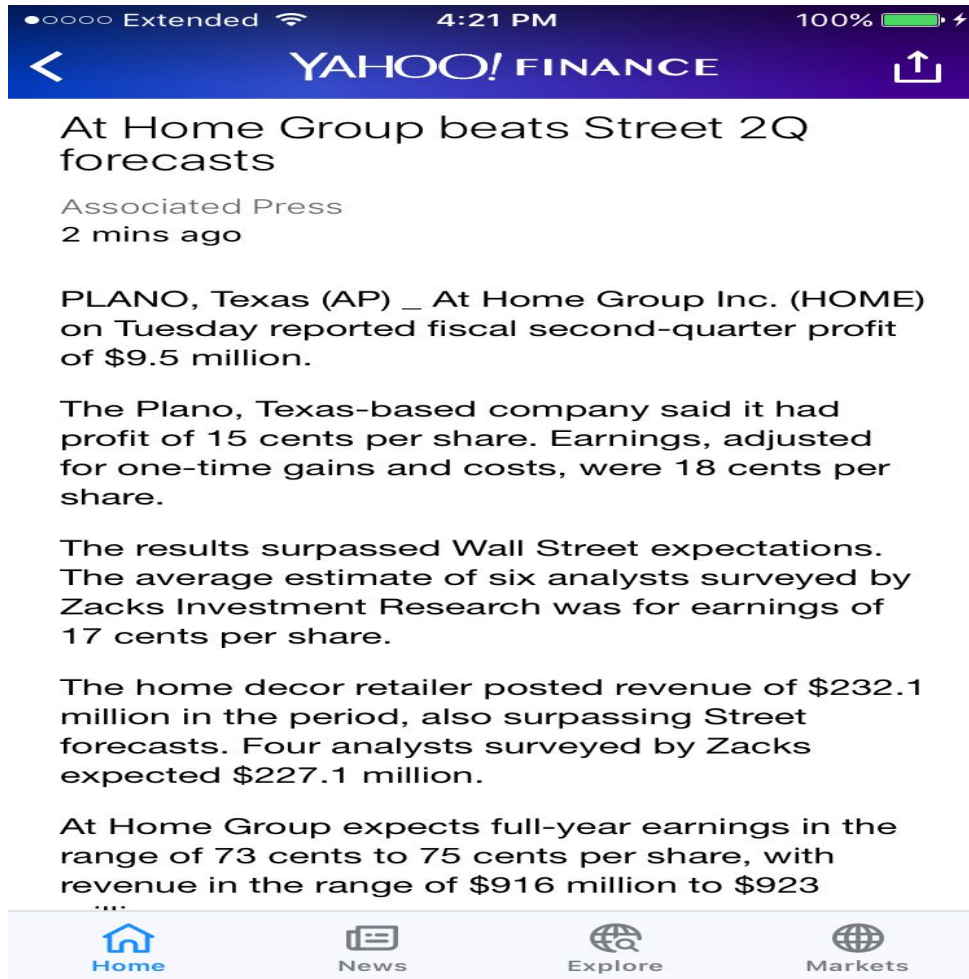
⁸ BORTNOVSKY purchased and sold additional At Home shares and options in his personal account and in the Sakal Accounts on various dates between August 29, 2017 and December 4, 2017.

that CW-1 would “stop by on way to office” the next morning. CW-1 later added: “Don’t worry no rush re buy, u have 2 days.”⁹

53. The following morning, September 1, 2017, CW-1 messaged SHAPIRO: “And just so we are super clear and it’s on the record I do not have any inside information or any non-public information. My recommendations are strictly based on whatever research I do or the people I trade with do. Would never trade on inside info, not to mention I have never had any.” SHAPIRO responded: “Great me neither.” CW-1 replied: “Perfect we are on the same page.” Trading records indicate that, on that same day, SHAPIRO purchased 9,924 shares of At Home in an account at UBS Financial Services (“UBS”) at a price of \$24.75 per share. SHAPIRO purchased an additional 10,276 shares on or about September 5, 2017, at a price of \$24.75 per share, for a total investment of approximately \$500,000.

54. After the stock market closed on September 5, 2017, At Home reported quarterly earnings that exceeded market expectations. That same day, at 4:18 p.m., CW-1 messaged SHAPIRO to inquire whether he was “trying to sell any HOME in after hours.” SHAPIRO responded: “No are you.” CW-1 replied: “No,” adding, “Last trade 26.99[.] But very small amount of shares traded so far so let’s see what happens.” CW-1 later added, “Earnings report excellent,” noting that he did not intend to sell his shares below \$30, and sent SHAPIRO the following screenshot image:

⁹ I am aware that August 31, 2017 was a Thursday, and Monday, September 4, 2017 was the Labor Day holiday. Accordingly, there were two trading days left between the time of CW-1’s message and the report of At Home’s quarterly earnings after the market closed on Tuesday, September 5, 2017.



SHAPIRO responded: “Yes!!”

55. Notwithstanding the positive news, At Home’s share price, which had increased in the days leading up to the announcement, declined by approximately 10 percent the next day, September 6, 2017, to a closing price of \$23.04. Shortly before 7:00 a.m. that morning, BORTNOVSKY emailed CW-1 news articles reporting that four Wall Street firms had raised their price targets for At Home shares. At 9:38 a.m., CW-1 messaged SHAPIRO, “Seems like stupid small retail investors selling shares, I’ll let you know what to do but we are not selling.” At 10:47 a.m., CW-1 messaged, “Don’t worry [a]bout today’s move[.] Retail investors selling. We’ll get our price. I’ll call you later to discuss.” At 11:09 a.m., CW-1 messaged SHAPIRO

again: “Trust me here. Do NOT sell. I will call you soon. Once I land.” At 1:20 p.m., CW-1 forwarded BORTNOVSKY’s emails to SHAPIRO. SHAPIRO responded, “I have the sell order in at \$30. Cool?” CW-1 replied, “Yes leave it there.” Based on my review of records obtained from Lyft, I am aware that on or about that same day, at 6:12 p.m., CW-1 was dropped off in close proximity to BORTNOVSKY’s home in New York City. At 6:48 p.m., CW-1 called SHAPIRO for approximately two minutes from New York.

56. Six days after At Home’s earnings announcement, on or about September 11, 2017, with the company’s stock price still hovering around \$23 per share, SHAPIRO and CW-1 had the following message exchange between 12:07 p.m. and 2:17 p.m.:

SHAPIRO:	What the fuck is up with your stock pick
SHAPIRO:	Market soaring and its declining
CW-1:	Just sit tight
CW-1:	Furniture sector is down today
CW-1:	Just sit tight and wait for the takeout
SHAPIRO:	Ok
CW-1:	Tried u, call me when u have a second
CW-1:	U also might wanna consider \$500k of RAD
CW-1:	[smiley face emoji]
SHAPIRO:	Jesus you trying to bankrupt me
SHAPIRO:	Tell me about it
SHAPIRO:	I’m like a moron in the movie boiler room now keeps buying stock from the broker
CW-1:	[three faces with tears of joy emojis]

CW-1: Let's meet Friday before Shabbos when we are both back and I'll fill you in on everything

57. At 2:53 p.m., BORTNOVSKY called CW-1 for approximately two minutes.

CW-1 returned the call at 3:03 p.m. for approximately three minutes. At 3:45 p.m., CW-1 and SHAPIRO continued their exchange as follows:

CW-1: Call me asap

CW-1: Have offer for u from [Individual 3's] guy¹⁰

CW-1: I tried you but it went straight to voicemail

58. I have reviewed telephone toll records indicating that CW-1 called SHAPIRO at 3:53 p.m., and that SHAPIRO returned the call one minute later. At 3:59 p.m., the message exchange continued:

CW-1: Pretty compelling eh?

SHAPIRO: Very! By the way don't feel obligated to make me money, I took the risk and would do it again

CW-1: I hear you but if I can make you money why not?

CW-1: So now u basically have 2 choices either make half the upside or all the upside BUT either way u ain't losing any \$

CW-1: And we do need to discuss RAD

SHAPIRO: Sounds rad

CW-1: Lol [beaming face with smiling eyes emoji]

CW-1: But now your home position is not exactly a bad position to be in [smiley face emoji]

¹⁰ As noted above, CW-1 has advised investigators that Individual 3 introduced CW-1 to BORTNOVSKY.

CW-1: 2 things. 1. Don't buy more without first discussing it with me and
2. If you want to take this offer don't wait long to decide

The message chain then ended until September 13, 2017, at which point it continued as follows:

SHAPIRO: I'll take that offer. We papering it?

CW-1: Sure let me ask him how to go about it. How many shares do you have?

SHAPIRO: I'll send over what I got gimme a few

After a brief discussion of other topics, the exchange continued:

CW-1: And this stock deal pretty good eh?

SHAPIRO: We'll see right? I only know what you tell me and I'm assuming this dude knows tons so makes sense for everyone -- an equilibrium has been found!

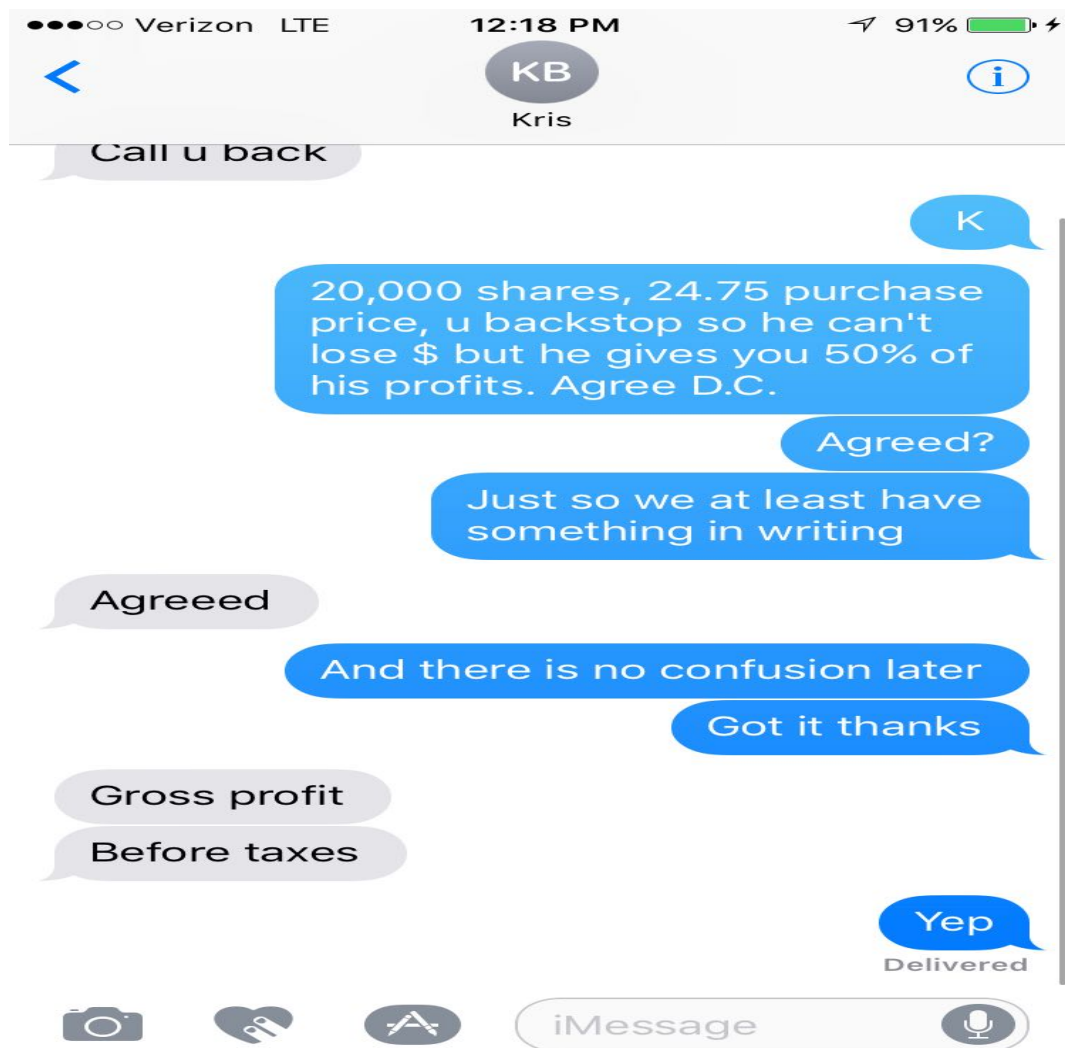
CW-1: Lol u have no downside and only upside, u get a lot of those deals your way?

CW-1: Bc if u do I want in [smiley face emoji]

CW-1 later messaged SHAPIRO: "Lemme know # shares." SHAPIRO responded: "Sent to your email."

59. At 12:08 p.m., SHAPIRO forwarded CW-1 an email from UBS indicating that he had purchased 9,924 shares of HOME on September 1, and 10,276 shares on September 5.

60. According to toll records I have reviewed, BORTNOVSKY called CW-1 at 12:13 p.m., for approximately two minutes. Immediately after hanging up, CW-1 messaged SHAPIRO, "Just spoke to him." CW-1 then forwarded SHAPIRO the following screenshot of a text message exchange with BORTNOVSKY:



CW-1 requested that SHAPIRO “pls confirm agreement to all so I can send him and we are set.”

SHAPIRO responded: “Confirmed I can draft something too but we have a year [smiley face].”

61. On or about November 30, 2017, at 10:42 a.m., CW-1 messaged SHAPIRO as follows:

CW-1:	Hey pls put in a sell order on HOME with \$29.95 limit price
CW-1:	Do not let him sell under that
CW-1:	May or may not get bought but pls have your guy put the order in. Sell HOME \$29.95 limit

At 11:10 a.m., CW-1 messaged SHAPIRO, “Sorry dude change your order to \$28.”

62. Trading records indicate that on or about that same day, SHAPIRO sold at an average price of \$27.84 the 20,200 shares of At Home he had previously purchased. SHAPIRO also forwarded CW-1 an email from UBS confirming a wire transfer in the amount of \$18,000 to account number 00XXXXXX25 at HSBC Bank USA, N.A. (“HSBC”). CW-1 replied, “Thanks buddy.” I have reviewed a bank statement for HSBC bank account number 00XXXXXX25 in BORTNOVSKY’s name, which shows that BORTNOVSKY received an \$18,000 wire transfer from SHAPIRO on November 30, 2017.

Trading Ahead of Green Growth Brands’ Takeover Bid for Aphria

63. CW-1 has advised investigators that, in or about the fall of 2018, CW-1 learned from Individual 1 that GGB was going to launch a hostile bid to acquire Aphria. At the time, Individual 1 was a member of GGB’s board of directors and CW-1 was aware that the information about GGB’s intentions was MNPI.

64. CW-1 told investigators that, at some point after Individual 1 shared GGB’s plans with CW-1, Individual 1 traveled to Las Vegas, Nevada, and from Las Vegas to Canada, where Aphria was based. CW-1 said CW-1 flew to Las Vegas to spend time with Individual 1 and so that CW-1 could obtain additional inside information about the planned bid for Aphria.

65. CW-1 told investigators that, after learning from Individual 1 of GGB’s plans to acquire Aphria, CW-1 purchased shares of Aphria in his personal brokerage accounts, including by causing Individual 6, his close relative, to execute the trades on CW-1’s behalf. CW-1 told investigators that Individual 6 was aware that the trades were based on inside information that CW-1 had obtained from Individual 1.

66. CW-1 said he also met personally with BORTNOVSKY and SHAPIRO to tell them about the pending bid for Aphria, so that they could trade on that information. CW-1 said he told BORTNOVSKY and SHAPIRO that CW-1 had obtained that information from Individual 1, and that both BORTNOVSKY and SHAPIRO were aware of Individual 1's association with GGB, and were aware that Individual 1 did not know that CW-1 was sharing the information with them.

67. CW-1 said that, during his conversation with SHAPIRO, SHAPIRO jokingly referred to CW-1 as "Bobby Fucking Axelrod," which CW-1 understood to be a reference to a fictional character on the television show "Billions" who engages in insider trading, and said that CW-1 was going to get SHAPIRO in trouble. CW-1 said that he falsely told SHAPIRO that CW-1 was not trading in Aphria under his own name because of his familial connection to the company. CW-1 said that he entered into an agreement with SHAPIRO to share in SHAPIRO's trading profits based on the inside information CW-1 provided. CW-1 said he agreed with SHAPIRO to donate CW-1's share of the proceeds to the synagogue CW-1 and SHAPIRO both attended.

68. I have reviewed messages exchanged between CW-1 and Individual 1 that confirm that Individual 1 shared inside information about GGB's planned bid for Aphria prior to the public announcement of that bid.

69. For example, on or about December 4, 2018, shares of Aphria declined precipitously following a short-seller's report published the previous day describing the company

as “A Shell Game with a Cannabis Business on the Side.”¹¹ That same day, CW-1 and Individual 1 engaged in the following message conversation:

CW-1: Holy fuck this Aphria thing

Individual 1: Still going

CW-1: Crazy

CW-1: Like crashing

70. According to regulatory filings I have reviewed, on or about the following day, December 5, 2018, GGB executives had a call with investment bankers to discuss a possible acquisition of Aphria in the wake of the decline in its stock price. That same day, Individual 1 called Individual 2, at 9:51 a.m., and thereafter exchanged multiple calls with another major shareholder and former board member of GGB. Beginning at 11:58 a.m. — while Individual 1 was on the phone with the former GGB board member — Individual 1 and CW-1 engaged in the following message conversation:

11:58:44 a.m. CW-1: This aphria thing isn’t stopping

11:58:46 a.m. CW-1: Crazy

11:58:50 a.m. CW-1: Tanking

11:59:00 a.m. Individual 1: I have even more crazy for u

11:59:04 a.m. CW-1: What??

11:59:24 a.m. CW-1: ??

¹¹ Short-selling is a trading strategy that seeks to profit from an anticipated decline in the price of a security. Short-selling typically involves borrowing shares of stock and selling them, in anticipation of repurchasing them later at a lower price.

71. CW-1 called Individual 1 at 11:59:19 a.m., and again at 11:59:51 a.m., for approximately two seconds respectively. Approximately two minutes later, at 12:02:14 p.m., CW-1 messaged Individual 1, “Don’t forget to call me back!” Approximately three seconds later, at 12:02:17 p.m., CW-1 messaged Individual 1, “U got me all anxious.”

72. Individual 1 returned CW-1’s call approximately two minutes later, at 12:04:51 p.m. The call lasted approximately 70 seconds.

73. Less than one minute later, CW-1 messaged SHAPIRO, as follows:

12:06:44 p.m. CW-1: Need to talk to you right now

12:06:47 p.m. CW-1: Like right right now

12:09:25 p.m. CW-1: I promise I will explain when I see you and I promise I will make it up to you

74. Starting at 12:54 p.m., CW-1 engaged in the following message conversation with Individual 1:

12:54 p.m. CW-1: Free for second?

1:12 p.m. CW-1: Plssss

1:43 p.m. Individual 1: Tied up here

1:44 p.m. Individual 1: What’s up

1:44 p.m. CW-1: No prob buzz u later

75. That same afternoon, Individual 1 engaged in a series of calls with individuals associated with GGB and Aphria. For example, at 1:39 p.m. and again at 2:49 p.m., Individual 1 called GGB’s chief executive officer (“CEO”). At 2:54 p.m., Individual 1 called the GGB shareholder and former director. At 3:01 p.m., Individual 1 called another GGB director. At

3:08 p.m., Individual 1 called an individual who served on both the Aphria and GGB boards of directors. At 3:12 p.m., and again at 3:19 p.m., Individual 1 called the GGB CEO.

76. At 3:20:47 p.m., CW-1 called Individual 1 for approximately 47 seconds. Less than one minute later, CW-1 messaged Individual 1 as follows:

CW-1: Fuck yes!!!!!!! Congrats cuzzy!!! Nothing makes me happier

CW-1: Well maybe a couple things but that made my day [smiling face with smiling eyes emoji]

77. According to regulatory filings I have reviewed, GGB contacted Norton Rose Fulbright Canada LLP, a law firm, on or about December 10, 2018, about advising GGB with respect to a potential transaction with Aphria. Based on text messages I have reviewed, CW-1 visited Individual 1 at his home the following day, December 11, 2018, and again on December 12, 2018. The very next day, December 13, 2018, GGB directed Canaccord Genuity Corp. (“Canaccord”), a Canadian investment banking firm, to prepare a presentation for GGB’s management concerning a potential merger with Aphria.

78. According to regulatory filings, GGB formally engaged Norton Rose Fulbright to act as its legal counsel with respect to a bid for Aphria on or about December 14, 2018. That same day, CW-1 called Individual 1 at 8:45 a.m. At 10:26 a.m., CW-1 messaged Individual 1, “Coming over.”

79. Approximately two minutes later, CW-1 called a Miami, Florida telephone number associated with Bermont Carlin Wealth Management, an affiliate of Morgan Stanley Private Wealth Management. CW-1 called the Bermont Carlin representative again at 10:40 a.m.

80. At 10:59 a.m., CW-1 messaged Individual 1, “I’m at your house. Get your butt over here.” At 11:19 a.m., Individual 1 replied, “Back in 20.” At 11:49 a.m., CW-1 messaged

Individual 1, “Close?” Approximately one minute later, CW-1 sent the following message to Individual 6: “Hey I may need you to do some serious trading in the next 30 minutes, please be ready.” Individual 6 replied with a thumbs up emoji.

81. CW-1 thereafter exchanged a series of messages with Individual 6 in which CW-1 directed Individual 6 to acquire Aphria securities in CW-1’s brokerage account. I have reviewed records indicating that, on or about that same day, CW-1 purchased approximately 35,600 shares of Aphria in a brokerage account at TD Ameritrade, and approximately 35,000 shares of Aphria in a brokerage account at Morgan Stanley.

82. Between 1:10 p.m. and 1:48 p.m., CW-1 engaged in the following message conversation with SHAPIRO:

CW-1:	Hey u around today??
SHAPIRO:	Headed to office
CW-1:	When u back?
SHAPIRO:	Headed there now
SHAPIRO:	In 10
CW-1:	I meant when u back in neighborhood
SHAPIRO:	I’m back in office at 10am
CW-1:	Wtf
CW-1:	When are u back home lol
SHAPIRO:	I don’t know
CW-1:	Ok cool hit me when u come back pls

83. Between 2:46 p.m. and 2:49 p.m., CW-1 engaged in the following message conversation with BORTNOVSKY:

CW-1: Need to see u early next week
BORTNOVSKY: Why not today
CW-1: Wanna come by my place later?
BORTNOVSKY: What time 4:30 ?
CW-1: 4
BORTNOVSKY: I will try
BORTNOVSKY: If not Monday morning
CW-1: Cool

84. On or about the following Monday, December 17, 2018, CW-1 engaged in the following message conversation with and Individual 1, who was in Las Vegas, Nevada, at 3:00 p.m.:

CW-1: U back late on Thurs? Or early?
Individual 1: Late, going to leamington on the way back
CW-1: What's leamington?
Individual 1: Aphria hq
CW-1: Got it
CW-1: Safe trip

85. Approximately seven minutes later, CW-1 exchanged the following messages with SHAPIRO:

CW-1: How far u from office?

SHAPIRO: I'm in office now

CW-1: Cool

SHAPIRO: ETA?

CW-1: 10 min

Based on my review of records obtained from Lyft, a ride-share service, I am aware that CW-1 was dropped-off in the vicinity of SHAPIRO's office at 3:26 p.m. and left that area at 4:22 p.m. to return home. Beginning while CW-1 was en route, CW-1 engaged in the following message conversation with SHAPIRO:

CW-1: I'm JACKED

CW-1: seriously

CW-1: Very excited

SHAPIRO: Me too

86. According to regulatory filings, representatives of GGB and Canaccord called Aphria's CEO and chief financial officer the following day, on or about December 18, 2018, "to inform them that a proposal would be delivered later in the day outlining a potential transaction in which GGB might acquire Aphria." According to the filings, the Aphria executives "agreed to host a meeting at Aphria's facilities in Leamington on December 20, 2018."

87. The same day, between 9:03 a.m. and 9:21 a.m., CW-1 and SHAPIRO engaged in the following message conversation:

CW-1: Hey

CW-1: Where u at?

CW-1: Where where where

CW-1: [smiling face with smiling eyes emoji]
SHAPIRO: Running around
SHAPIRO: I'll start wearing a tracker and I'll let you download the app
CW-1: Amazing
CW-1: Where can I meet u
CW-1: Home?
CW-1: Office?
SHAPIRO: Why
SHAPIRO: Headed to fynd soon¹²
CW-1: Bc I wanna talk to u
SHAPIRO: So call
CW-1: Ok can I come see u
SHAPIRO: That's why Alexander gram bell is so famous
SHAPIRO: Otherwise we'd all be meeting all the time
SHAPIRO: Office in 2
SHAPIRO: [street name of SHAPIRO's office address]
CW-1: Ok coming

Based on my review of Lyft records, I am aware that at 9:25 a.m., CW-1 was picked-up in the vicinity of his home and dropped-off in the vicinity of SHAPIRO's office at 9:28 a.m. While en-route to SHAPIRO's office, CW-1 messaged BORTNOVSKY as follows:

¹² As set forth above, SHAPIRO was the CEO and founder of Fynd.

9:24:40 CW-1: Hey bro where u at today?

9:24:50 BORTNOVSKY: Office

88. At 9:44 a.m., SHAPIRO called a California telephone number associated with UBS. That same day, a UBS trust account SHAPIRO manages (the “Shapiro UBS Trust Account”) purchased 87,000 shares of Aphria.

89. Lyft records indicate that CW-1 was picked up from the vicinity of BORTNOVSKY’s office at 10:44 a.m.¹³ At almost precisely the same time, the Sakal US Fund placed an order to purchase 2,000 Aphria call option contracts, with a \$5.00 strike price and a January expiration date, for approximately \$256,000. At 1:23 p.m., the Sakal US Fund purchased an additional 3,000 Aphria call option contracts with a \$7.50 strike price and a January expiration date, for approximately \$164,000. On that day, December 18, 2018, Aphria’s shares opened at \$5.61 and closed at \$5.85.

90. At 10:47 a.m. — immediately after leaving BORTNOVSKY’s office — CW-1 messaged Individual 1, “U in Vegas till Thursday? Was thinking to hop out for day and fly back with u.” Individual 1 responded, “Not sure yet . Will know soon.”

91. At 4:50 p.m., CW-1 again messaged Individual 1, “Should I pop out for the day tomorrow? Or u super busy?” Thereafter, CW-1 and Individual 1 engaged in the following message conversation:

Individual 1: U can come . I fly Thursday [December 20, 2018] to Toronto

CW-1: Then back to Miami Thurs night?

¹³ I am aware that the distance from SHAPIRO’s office to BORTNOVSKY’s office is approximately 4.4 miles.

Individual 1: No

Individual 1: Columbus

CW-1: Ahhhhhh ok cool lemme check tickets from Toronto to Miami

CW-1: What time u fly to Toronto?

Individual 1: Leamington

Individual 1: Not Toronto

CW-1: Got it, but Toronto airport not far

CW-1: What time u flying there?

Individual 1: 7 am

CW-1: Ok great will check tickets

CW-1: Thanks

92. Between on or about December 18, 2018 and December 19, 2018, while in Las Vegas, Nevada, Individual 1 engaged in a series of calls with GGB board members, executives, and merger advisors, as well as with an individual who was a co-founder and executive of Aphria. On or about December 19, 2018, Individual 1 engaged in the following message conversation with CW-1, beginning at 12:09 p.m.:

CW-1: What u doing today? Hanging at hotel?

Individual 1: I will be around

CW-1: Ok cool. Where we eating tonight?

Individual 1: Send me flight info

Individual 1: Will get u picked up

CW-1: Ok awesome thank you!!

At 12:33 p.m., CW-1 asked Individual 1: “Are we gonna hang after dinner? Cigar,” Individual 1 responded: “Sure on the cigar[.] Go see aphria tomorrow[.]”

93. Between 1:06 p.m. and 1:07 p.m., CW-1 and SHAPIRO engaged in the following message conversation:

CW-1: I’m almost in Vegas, hit u in a bit
SHAPIRO: What’s in Vegas
CW-1: Got it re Friday night dinner yah?
CW-1: [Individual 1] in Vegas
SHAPIRO: What’s new
CW-1: Lol
CW-1: Good?
CW-1: [redacted] coming too
SHAPIRO: I’ll let you know fri at market close :)
CW-1: [three face with tears of joy emojis]
CW-1: I think I wanna double so hit u in a couple hours

94. On or about the following day, December 20, 2018, CW-1 and Individual 1 engaged in the following message conversation beginning at 9:58 a.m., shortly before Individual 1 departed Las Vegas, Nevada for the meeting with Aphria executives in Leamington:

CW-1: What time u go to bed?
Individual 1: 12
CW-1: Not bad. Good time?
Individual 1: Got a 30 min massage and went back to my villa to sleep

Individual 1: I was beat

CW-1: Smart.

CW-1: Go kick some butt.

CW-1: \$15-20B market cap and then let's take a vacation

Individual 1: Thanks and yes I will take a vacation

CW-1: This is legacy stuff. And you aren't even 40

CW-1: Pretty awesome

Individual 1: Thank you

95. Between 2:48 p.m. and 2:52 p.m., CW-1 and Individual 1 engaged in the following message conversation:

CW-1: When do u land?

Individual 1: I'm in leamington

Individual 1: My Friends pilots refused to fly him today and tomorrow out of Miami

CW-1: Yeah I see why now

Individual 1: Have u landed?

CW-1: Nuts

CW-1: No not yet

CW-1: Text me when u leave, would love to know how it goes!

Individual 1: Will do

CW-1: [raising hands emoji]

96. According to regulatory filings, that same day, approximately 12 members of GGB's management and board — including Individual 1 and Individual 2 — and bankers with

Canaccord had a guided tour of Aphria's marijuana cultivation facility in Leamington and GGB's attorneys requested that GGB be permitted to make a presentation to the Aphria board on December 27 or 28, "and threatened that GGB would proceed with a hostile bid if the Aphria Board was not available to meet with GGB."

97. That evening, beginning at 9:17 p.m., CW-1 engaged in the following message conversation with Individual 1:

CW-1: U in Columbus yet?

Individual 1: Yes

CW-1: Free for second? I wanna hear how it went

Individual 1: in 45 mins

CW-1: Cool

98. At 10:06 p.m., CW-1 messaged Individual 1 as follows:

CW-1: Tried u

CW-1: Tomorrow better?

CW-1: Nothing major just wanted to know how it went

99. The following day, December 21, 2018, CW-1 called Individual 1 at 8:03 a.m., Individual 1 called CW-1 back at 8:06 a.m., for approximately 3.5 minutes. At 8:10 a.m., CW-1 called Individual 1 again for approximately 16 seconds.

100. According to trading records I have reviewed, the Sakal US Fund continued to accumulate Aphria securities that day, including 1,500 January call option contracts with a \$5.00 strike price and 2,000 January call option contracts with a \$7.50 strike price. Aphria's shares opened that day at \$5.34 and closed at \$4.85, meaning that the January \$7.50 call options

BORTNOVSKY acquired would have had to appreciate more than 40 percent within a month for the investment to have any value. That same day, Individual 5, the Sakal employee, purchased an additional six Aphria short-term January call option contracts in his personal account.¹⁴

101. On or about Sunday, December 23, 2018, at 9:27 a.m., CW-1 messaged BORTNOVSKY as follows:

CW-1: When u free for a minute?

CW-1: To come by

CW-1: Wanna show u something

At 9:49 a.m., BORTNOVSKY messaged CW-1 that he was at CW-1's home. The following day, the Sakal US Fund purchased one million shares of Aphria for approximately \$4.9 million.

102. According to regulatory filings, GGB executives and board members, including Individual 1 and Individual 2, together with their bankers and legal advisors, made a presentation to Aphria's board of directors on the morning of December 27, 2018. That same day, Individual 1 and CW-1 exchanged brief telephone calls at 7:03 a.m. and 7:04 a.m. Between 7:16 a.m. and 7:22 a.m., CW-1 and Individual 1 engaged in the following message conversation:

CW-1: Any chance u would let me quietly listen at [Individual 2's] or better not?

CW-1: What's good for lunch in your neighborhood?

CW-1: Tasty?

Individual 1: Or pita hut

¹⁴ On or about December 19, 2018, Individual 5 purchased four Aphria short-term January call option contracts in his personal account.

CW-1: Pita Hut for sure

CW-1: They have best soup

Individual 1: Cool

CW-1: I'll come to your house like 11 and then let's go to Pita Hut at 12. I'm bringing good cigars

Individual 1: Cool

103. Between 9:20 a.m. and 10:17 a.m., Individual 1 exchanged several calls with other GGB directors and with GGB's legal advisors. According to Lyft records, CW-1 arrived at Individual 1's home at 10:47 a.m. Between 11:05 a.m. and 12:12 p.m. — while CW-1 was at his home — Individual 1 exchanged multiple calls with Individual 2 and a former GGB board member. During that same period, CW-1 messaged SHAPIRO at 12:01 p.m. as follows: "U around today yes?? Reachable if I need to reach u?" One minute later, SHAPIRO called CW-1 for approximately 14 seconds. At 12:04 p.m., CW-1 called the Bermont Carlin representative. Starting at 12:46 p.m., the Sakal US Fund purchased another 5,000 January call option contracts with a \$5.00 strike price, for approximately \$1.9 million. Starting at 11:47 a.m., the Sakal US Fund sold 200,000 shares of Aphria for approximately \$1,086,000, but retained 800,000 shares and 13,500 call option contracts. According to Lyft records, CW-1 left Individual 1's home at 1:08 p.m.

104. At 3:17 p.m., CW-1 called Individual 1. At 3:26 p.m., CW-1 messaged SHAPIRO, "Call me pls." Between 3:39 p.m. and 3:58 p.m., CW-1 exchanged several calls with Bermont Carlin. Between 4:20 p.m. and 4:25 p.m., Individual 1 sent CW-1 a screenshot of a "BREAKING" news report on the Bloomberg news service headlined, "GREEN GROWTH

BRANDS IS SAID TO PLAN HOSTILE OFFER FOR APHRIA.” The message conversation continued as follows:

CW-1: Whoaaaaaaa
Individual 1: Yup
CW-1: What’s the stock doing?
CW-1: Did u guys release anything?
Individual 1: Stock trades tomorrow
CW-1: Got it
Individual 1: We released that we are going hostile
CW-1: Got it. Did Details of offer get released?

Individual 1 thereafter sent CW-1 a copy of a GGB press release announcing its bid for Aphria. The press release was not publicly disclosed until 4:47 p.m., approximately 20 minutes later.

105. At 4:30 p.m. — before the GGB press release was publicly disclosed — CW-1 messaged SHAPIRO, “Calllllll me.”

106. At 5:29 p.m., CW-1 messaged BORTNOVSKY with an emoji of a face blowing a kiss and the message “Miss u brother[.] Enjoying mexico?” BORTNOVSKY responded approximately 40 minutes later, “Miss u brother. Mexico is great.”

107. Aphria publicly rejected GGB’s bid the following morning, December 28, 2018. Beginning at 7:47 a.m., CW-1 and Individual 1 exchanged the following messages:

CW-1: U saw Aphria press release?
Individual 1: I saw it
CW-1: What u think?

Individual 1: Besides not being correct ?

CW-1: Lol

CW-1: No change in your plan?

Individual 1: No change

CW-1: U guys gonna respond?

Individual 1: No

CW-1: Got it

CW-1: So what u do next? Start hitting the shareholders?

Individual 1: Jan 7

CW-1: Cool

108. Approximately 10 minutes later — after learning from Individual 1 that there would be no change to GGB’s bid for Aphria — CW-1 messaged Individual 6: “Hey. It gave back lots of gains this morning. I think we just sit tight.”

109. At 8:02 a.m., CW-1 messaged SHAPIRO: “sit tight. Don’t do anything.”

110. At 8:04 a.m., CW-1 messaged BORTNOVSKY: “I don’t think I’d sell less than \$8. I think they’ll prob have to increase offer, plus I think shorts will have to cover plus I think maybe others will bid.”

111. At 8:05 a.m., CW-1 again messaged SHAPIRO: “I think they’ll prob have to increase offer, plus I think shorts will have to cover plus I think maybe others will bid.”

112. At 10:15 a.m., CW-1 messaged SHAPIRO: “K?” Starting at 12:21 p.m., SHAPIRO and CW-1 exchanged the following messages:

SHAPIRO: K

CW-1: Other bidders will be coming

CW-1: \$8 or more we are gonna get

113. Following the public announcement of GGB's hostile bid, Aphria's share price increased on December 28, 2018, by more than 12 percent to close at \$6.26 per share after trading as high as \$6.37 per share during the day. That day, the Sakal US Fund sold its 5,000 Aphria call option contracts with a \$7.50 strike price, 2,000 Aphria call option contracts with a \$5.00 strike price, and 75,000 Aphria shares at an average price of \$6.10, for total proceeds of nearly \$900,000.

114. Nearly two weeks later, on or about January 10, 2019, CW-1 and BORTNOVSKY engaged in the following message conversation between 10:47 a.m. and 10:49 a.m.:

CW-1: U waiting on earnings for APHA

CW-1: Or gonna sell any today?

BORTNOVSKY: Waiting

CW-1: Cool

BORTNOVSKY: Do you own any ?

CW-1: I can't

BORTNOVSKY: Got it

115. CW-1's statement was misleading because CW-1 did own Aphria securities in his own name. Indeed, approximately 25 minutes after that text exchange, CW-1 instructed his close relative, Individual 6, to "Sell our stock[.]" That same day, CW-1 sold 35,600 Aphria

shares in his TD Ameritrade account for a profit of approximately \$41,000, and 35,000 Aphria shares in his Morgan Stanley account for a profit of approximately \$33,000.

116. Between 11:22 a.m. and 11:27 a.m., CW-1 instructed SHAPIRO as follows: “Hey sell u know what pls[.] Let’s not ride it”. SHAPIRO responded: “K”. Thereafter, between 11:33 a.m. and 11:34 a.m., CW-1 and SHAPIRO engaged in the following message conversation:

CW-1: What did we get?

CW-1: 6.80?

SHAPIRO: 6.782

CW-1: Great!

SHAPIRO: Around 90k

CW-1: Awesome

I have reviewed records indicating that on that same day, SHAPIRO sold the 87,000 Aphria shares in the Shapiro UBS Trust Account for a profit of approximately \$94,000. Also that day, the Sakal US Fund sold 196,863 Aphria shares for approximately \$1.3 million and 1,500 Aphria call option contracts with a \$5.00 strike for approximately \$279,000.

117. On or about the morning of January 11, 2019, Aphria announced its second quarter financial results and conducted a conference call for investors. Starting at 9:11 a.m., BORTNOVSKY and CW-1 engaged in the following message conversation:

BORTNOVSKY: Juicy conference call lol

BORTNOVSKY: He laughed of[f] green growth offer lol

CW-1: Yeh we’ll see how much he’s laughing soon [beaming face with smiling eyes emoji]

BORTNOVSKY: Lol

CW-1: What's stock doing?

BORTNOVSKY: Up small

BORTNOVSKY: 6.70

118. Based on my review of trading information, I am aware that beginning at 9:57 a.m., the Sakal US Fund sold its remaining 528,137 Aphria shares for approximately \$3.7 million, and its remaining 5,000 Aphria call option contracts with a \$5.00 strike for approximately \$961,000. In total, Sakal earned approximately \$2.2 million from its Aphria trades.

119. Later that day, between 2:54 p.m. and 2:55 p.m., CW-1 and BORTNOVSKY engaged in the following message conversation:

CW-1: U sold all APHA?

BORTNOVSKY: Yes

CW-1: Fantastic, 7+?

BORTNOVSKY: Mostly

120. On or about May 22, 2019, SHAPIRO forwarded CW-1 an e-mail from UBS summarizing his gains and losses in four securities. The summary reflected gains totaling approximately \$175,000 in two stocks, including approximately \$94,000 in Aphria and approximately \$81,000 in At Home, as well as a loss of nearly \$120,000 on another security, Verastem, Inc.¹⁵ CW-1 replied, "Got it. So 55k total gain." CW-1 then asked if SHAPIRO

¹⁵ CW-1 has advised investigators that he advised SHAPIRO to buy shares of Verastem, but that the recommendation was not based on inside information.

would donate CW-1's half of the profits to the synagogue that CW-1 and SHAPIRO attended on CW-1's behalf, and noted that SHAPIRO would thereby "get the deduction."

Trading Ahead of News that Albertsons was Acquiring Rite Aid

121. CW-1 has advised investigators that CW-1 learned from Individual 1 about plans by Albertsons to acquire Rite Aid, the publicly traded drugstore chain, prior to the public announcement of that transaction on February 20, 2018.¹⁶ CW-1 understood that Individual 1 had obtained the information from his close relative, Individual 2, who was a member of Albertsons' board of directors. Thereafter, and while in possession of that inside information, CW-1 purchased shares of Rite Aid and Kimco which, as set forth above, owned a major stake in Albertsons (and, as set forth below, was expected to profit from the merger, which would result in Albertsons becoming a publicly-traded company). CW-1 told investigators that he also tipped BORTNOVSKY and SHAPIRO about the transaction during face-to-face meetings with each of them, and that he told both BORTNOVSKY and SHAPIRO that he had obtained the information from Individual 1.

122. I have reviewed telephone toll records, as well as other documents and communications that corroborate that CW-1 discussed the Rite Aid transaction with Individual 1 prior to the public announcement of the deal, and that CW-1 also discussed with BORTNOVSKY and SHAPIRO purchasing shares of Rite Aid and Kimco prior to and immediately following the announcement of the planned merger.

¹⁶ As set forth below, the transaction did not ultimately occur.

123. I am aware that on or about August 31, 2017, CW-1 purchased approximately 99,000 shares of Rite Aid.

124. On or about September 11, 2017, as noted above, CW-1 messaged SHAPIRO that he “might wanna consider \$500k of RAD,” and later promised to “fill [SHAPIRO] in on everything” at the end of that week: Friday, September 15, 2017.

125. That Friday, according to regulatory filings I have reviewed, a representative of Albertsons called a representative of Rite Aid to discuss entering into a confidentiality agreement in connection with a potential merger of the companies. Albertsons sent Rite Aid a draft confidentiality agreement that day, and the parties negotiated the terms of the agreement over the next several days.

126. On or about Sunday, September 17, 2017, CW-1 received a call from Individual 1 at 10:25 a.m.

127. Regulatory filings indicate that Albertsons and Rite Aid formally executed a confidentiality agreement the next day, September 18, 2017. The agreement obligated each party to protect the confidential information of the other party, and the confidentiality of their discussions. According to the regulatory filings, Rite Aid and Albertsons subsequently began conducting financial due diligence reviews of each other’s businesses in connection with a possible merger.

128. Prior to the opening of the stock market that same morning, CW-1 made several calls to Individual 1, and to Gryphon, his brokerage firm. Trading information indicates that CW-1 purchased 91,500 shares of Rite Aid in his Gryphon account, at a price of approximately

\$2.70 per share. At 12:29 p.m., CW-1 sent the following message to SHAPIRO, “U gonna buy any Rite Aid?” At 3:57 p.m., SHAPIRO responded: “Watching.”

129. Starting on or about the following day, September 19, 2017, BORTNOVSKY purchased 5,000 Rite Aid January call options, with a January expiration date and a \$2.50 strike price, in his personal account.¹⁷

130. On or about February 6, 2018, at 9:36 a.m., CW-1 and BORTNOVSKY engaged in the following message conversation:

CW-1: I have to believe Rite Aid gets back to 2.50+ soon

BORTNOVSKY: God willing

CW-1: I think def will

BORTNOVSKY: Ok

131. On or about February 12, 2018, between 2:17 p.m. and 2:29 p.m., CW-1 and Individual 1 engaged in a text message exchange in which they agreed to meet at Individual 1’s home that night. At 5:20 p.m. and 6:46 p.m. that evening, Individual 1 spoke by telephone with Individual 2. At 10:28 p.m., Individual 1 called CW-1.

132. At 3:53 p.m. the following day, February 13, 2018, CW-1 and BORTNOVSKY engaged in the following message conversation:

CW-1: Was calling to tell you something valuable but now I’m not gonna tell you

¹⁷ BORTNOVSKY later purchased and sold additional Rite Aid call options and shares in his personal account and in the Sakal Accounts, on various dates prior to the February 20, 2018 merger announcement, but continued to hold approximately 2,350,000 shares in his personal account and in the Sakal US Fund account at the time of the announcement. CW-1 also purchased and sold additional Rite Aid shares on various dates between September 12, 2017 and January 30, 2018, but continued to hold at least 124,700 shares at the time of the announcement.

CW-1 : Because u declined my call

BORTNOVSKY: I was on the line wacko

BORTNOVSKY: Lol

BORTNOVSKY: You need help

BORTNOVSKY: Call me back when you feel better

BORTNOVSKY: [smiling face emoji]

CW-1: I feel fine poop head

133. The next day, on or about February 14, 2018, between 7:33 a.m. and 7:37 a.m.,

CW-1 and BORTNOVSKY engaged in the following message conversation:

BORTNOVSKY: As of this morning fund is just about even for feb FYI

BORTNOVSKY: Down like 1 point

BORTNOVSKY: 1.5 percent

CW-1: Thank god!!!!!!

BORTNOVSKY: Lol

CW-1: I need it badly lol

CW-1: Hopefully gonna have bunch of cash early next week and then another liquidity event shortly

BORTNOVSKY: I think we make money this month as long as no calamity

CW-1: BEH¹⁸

CW-1: BEH

¹⁸ I am aware that BEH and BH are abbreviations for “baruch Hashem,” a Hebrew phrase that means, in substance, “blessed is God,” or “thank God.”

CW-1: BEH

BORTNOVSKY: You'll have all of your money end of feb

BORTNOVSKY: Love ya. No hard feelings

BORTNOVSKY: If rad [Rite Aid] wakes up this month we'll crush it [three folded hands emojis – commonly used for prayer]

CW-1: Then we should be crushing it [smiling face emoji]

CW-1: BEH!!!!!!

134. Less than ten minutes later, in the context of an exchange of messages about unrelated topics, CW-1 messaged SHAPIRO, “Also gotta tell u something in person today/tomorrow.” At 8:20 a.m., CW-1 messaged SHAPIRO, “Call me when you can please.” Toll records indicated that CW-1 called BORTNOVSKY at 8:35 a.m., and then received a call from SHAPIRO at 9:07 a.m. BORTNOVSKY called CW-1 again at 9:20 a.m. During that same time period, CW-1 exchanged a series of messages with SHAPIRO about stock tips CW-1 had provided, and noted: “I have a good idea for u but I like explaining these things in person.” CW-1 thereafter exchanged calls with his own brokerage firm at 9:38 a.m. and 10:02 a.m.

135. At 9:53 a.m., CW-1 messaged BORTNOVSKY, “Got more KIM [Kimco Realty Corp.] at 13.99 and 14.01.” CW-1 then wrote: “Call me.”

136. Less than two hours later, starting at 11:16 a.m., BORTNOVSKY's Sakal US Fund account at E*TRADE purchased approximately 250,000 shares of Rite Aid at an average price of \$2.08 per share.

137. At 3:35 p.m., CW-1 called BORTNOVSKY but the call was not answered. At 3:43 p.m., CW-1 called BORTNOVSKY again, for approximately one minute.

138. The following morning, February 15, 2018, BORTNOVSKY and CW-1 engaged in a message conversation about Kimco's financial results for the fourth quarter of 2017 that were reported that same day. CW-1 messaged BORTNOVSKY that "Kimco generally doesn't move much on earnings I don't think." BORTNOVSKY responded, "No." CW-1 messaged that Kimco was one of CW-1's biggest positions and noted, "If we get a move today we could see another big bump next week too if some news."

139. That evening, CW-1 and SHAPIRO engaged in the following message conversation:

CW-1:	Hey
CW-1:	How u doing buddy boy?
SHAPIRO:	Hi
CW-1:	What's happenin
SHAPIRO:	Waiting for the tip
CW-1:	In person
CW-1:	I told u man
CW-1:	I had 2 tips
CW-1:	1 of them passed [weary face emoji]
CW-1:	But the other relevant
CW-1:	Where are u tomorrow?
CW-1:	Let's fish!!
SHAPIRO:	Not fishing but let's meet in afternoonish
SHAPIRO:	Pre shabbos?

SHAPIRO: You have to get the bottle for the dinner

SHAPIRO: Or I'll just bring it

CW-1: Yeah that would be a good idea... Needs to be enough time pre market closing tomorrow

SHAPIRO: K

CW-1: Yah I'll come by at some point to get bottle and we can discuss

140. The following morning, February 16, 2018, starting at 10:24 a.m., CW-1 messaged Individual 1 to make plans to have "cigar and drink" at Individual 1's residence. Starting at 2:56 p.m., CW-1 and SHAPIRO engaged in the following message conversation concerning Kimco:

CW-1: Let me know what you buy and at what price

SHAPIRO: What's ticker of reit

CW-1: KIM

SHAPIRO: 2.13/5.23 respectively

SHAPIRO: Let's see

CW-1: 2.13 and 15.23 respectively?

141. I am aware that a trust account with Goldman Sachs controlled by SHAPIRO purchased 94,339 Rite Aid shares and approximately 6,583 Kimco shares that same day at prices of approximately \$2.13 and \$15.19 per share, respectively.

142. On or about Sunday, February 18, 2018 — two days before the public announcement of the planned merger the following Tuesday — CW-1 and BORTNOVSKY messaged each other about a family picture, and then engaged in the following exchange:

CW-1: Send my love. Talk to u Tuesday

BORTNOVSKY: Same on your side for sure

CW-1: [emoji face throwing a kiss depicting a small red heart]

143. Approximately five minutes later, CW-1 sent BORTNOVSKY the following photo depicting a Rite Aid Pharmacy sign:



BORTNOVSKY responded: "That's a sign [folded hands emoji – commonly used for prayer]."

CW-1 replied with a folded hands emoji.

144. On or about the following day, Monday, February 19, 2018 — one day prior to the merger announcement — CW-1 and SHAPIRO engaged in the following message exchange:

CW-1: Never heard back from you today. U ok man?

SHAPIRO: Hey sorry was with kids bla bla

CW-1: Oh yah pres day

SHAPIRO: Can we discuss tomorrow when you call me to explain how much money I made from my recent trended?

CW-1: Lol

SHAPIRO: Trades

CW-1: Let's catch up tomorrow BEH

145. At 7:53 p.m. that same day, CW-1 and Individual 1 engaged in the following message conversation:

CW-1: Wassup?

CW-1: U eating?

Individual 1: At dinner

CW-1: Cool

Individual 1: What's up?

CW-1: Nothing just saying hi

Individual 1: Big morning tomorrow

CW-1: BEH!!!!

146. The following morning, Tuesday, February 20, 2018, several news outlets reported that Albertsons planned to acquire Rite Aid. The companies announced the transaction later that morning, before the stock market opened. That same day, CNBC reported, "Real estate owner Kimco to benefit from Albertsons' acquisition of Rite Aid."

147. At 6:40 a.m., CW-1 called BORTNOVSKY. The call went to voicemail. CW-1 called BORTNOVSKY again at 6:57 a.m. Again, the call went to voicemail. At 7:01 a.m., SHAPIRO messaged CW-1: "[D]id you see the beautiful headline in the wsj." CW-1 replied, "Been up since 5."

148. At 7:20 a.m., CW-1 called BORTNOVSKY again. Again, the call went to voicemail. At 7:26 a.m., CW-1 called SHAPIRO.

149. At 7:27 a.m. — following the merger announcement — Individual 1 messaged CW-1 a beaming face with smiling eyes emoji. At 7:29 a.m., CW-1 replied with a blue heart emoji, and then immediately called Individual 1.

150. CW-1 then engaged in the following message conversation with SHAPIRO:

CW-1: Can u sell pre market?
SHAPIRO: No clue
SHAPIRO: Goldman can prob do anything
CW-1: Maybe call your guy?
SHAPIRO: Trying
SHAPIRO: Sell at market?
CW-1: Ok
CW-1: I think so
CW-1: Yeah
CW-1: Maybe like 2.65 or better

151. At 7:38 a.m., CW-1 messaged BORTNOVSKY: “U awake?”

152. At 7:43 a.m., CW-1 and SHAPIRO engaged in the following exchange:

CW-1: Reached them?
CW-1: U sold?
SHAPIRO: You don’t want to know what’s going on
SHAPIRO: Can’t get ahold of [SHAPIRO’s wife] to approve trade since I did it in the trust

CW-1: U should make them make it up to u!

SHAPIRO: fUCK fuck

SHAPIRO: Its not them

SHAPIRO: It's me

CW-1: Oh

CW-1: Have [CW-1's wife] call as [SHAPIRO's wife]

SHAPIRO: This was not worth the headache

CW-1: Omg

SHAPIRO: Selling all at 2.45

CW-1: K

CW-1: Did they sell it??

SHAPIRO: Yes

SHAPIRO: 2.45

CW-1: 2.45

CW-1: nice BH

CW-1: U made \$30,046

CW-1: Not bad

CW-1: 2.34 now

SHAPIRO: [eight thumbs up sign emojis, seven fish emojis, and two dolphin emojis]

CW-1: [smiling face emoji]

153. At 7:50 a.m., BORTNOVSKY called CW-1. Immediately thereafter, CW-1 called Individual 1.

154. Between 7:56 a.m. and 8:21 a.m., CW-1 exchanged approximately ten calls with a Morgan Stanley representative. That same day, CW-1 sold approximately 44,800 shares of Rite Aid at an average price of approximately \$2.54 per share. At 8:25 a.m., SHAPIRO's family trust account at Goldman Sachs placed an unsolicited order to sell the 94,339 Rite Aid shares it had acquired just four days earlier, earning a total profit of approximately \$30,000.

155. Starting at 9:05 a.m., CW-1 and Individual 1 engaged in the following exchange:

CW-1: Do we know what our stock price will be once deal is done?

CW-1: And how many shares we get etc?

Individual 1: We are buying at 2.32

Individual 1: I don't have the share count

CW-1: Got it

Individual 1: We probably have a couple hundred million shares

CW-1: I meant post the deal what does it look like for us?

Individual 1: We will get the count later

CW-1: Cooooool

156. Approximately four months later, on or about June 21, 2018, CW-1 and Individual 1 engaged in the following exchange:

CW-1: How's albertsons deal looking?

CW-1: When is that likely gonna happe ?

Individual 1: Looking good . Sending out the proxy now

CW-1: Sweet. Do u know timing?

Individual 1: Hopefully August

CW-1: Ok thanks

CW-1: BEH

Individual 1: [folded hands emoji]

157. On or about June 28, 2018, CW-1 and Individual 1 engaged in the following exchange:

CW-1: Did something happen with Rite Aid?

CW-1: I see stock got hammered. Was back to like 2.10

CW-1: And then got pummeled

Individual 1: Nothing happened

CW-1: Ok cool our deal still on track/good?

Individual 1: Yes

CW-1: [raising hands emoji – typically associated with celebration]

158. On or about August 1, 2018, CW-1 and Individual 1 engaged in the following exchange:

CW-1: Did the Rite Aid shit heads reject deal?

Individual 1: We walked

Individual 1: No one knows yet

CW-1: Whoa

CW-1: They are gonna crash

Individual 1: Yup

CW-1: So what's our plan?

CW-1: Just stay private and keep moving ahead?

Individual 1: Private and give distributions

CW-1: Got it

159. One week later, on or about August 8, 2018, Albertsons and Rite Aid announced that they had agreed to terminate their merger agreement.

BORTNOVSKY's Admissions to CW-1

160. On or about August 27, 2021, CW-1 met with BORTNOVSKY at the direction of investigators. During the conversation, which was consensually recorded, BORTNOVSKY made several admissions concerning his trading while in possession of the MNPI CW-1 had provided concerning Aphria and Rite Aid, as well as the MNPI he had provided to CW-1 about At Home.

161. For example, BORTNOVSKY said he was "very, very mad" at CW-1 because he had lost money trading in DBI, the successor company to DSW. CW-1 responded: "Overall, Rite Aid, Aphria, the shit, the shit [Individual 1] gave us, you had to have made money?" BORTNOVSKY replied, "Yep, but that's a long time ago."¹⁹

162. The conversation continued as follows:

CW-1: My question is this. For me personally, right, the last one didn't work out obviously, but all the other stuff I brought from [Individual 1] you had to have been net positive from that.

BORTNOVSKY: I was so big into those. . . .

CW-1: And the last one.

¹⁹ Excerpts of the conversation quoted herein are based on draft transcripts.

BORTNOVSKY: Dude, it was such a tough situation.

CW-1: Right.

BORTNOVSKY: Because, I, I, the markets started going against me.

CW-1: So you, you went bigger than you would have gone. Because you had a bunch of shit going on.

BORTNOVSKY: I put everything into it. I bought calls. I fucking [UI]. So I went nuts.

CW-1: Dude I wish. . . .

BORTNOVSKY: I just, there was just so much going on for me at the time man. I had [Individual 3], all of his friends that he referred into the fund. This one guy, [UI], I don't know if you know him. All these people started wanting their money back. You know, I, I didn't have to. But like, when you needed your money, I sent it to you right away. But I was able to give back people money within six months.

CW-1: I, I pulled my money out when I built my condo in 2018.

BORTNOVSKY: No, which is fine, I was just telling you that.

CW-1: Right.

BORTNOVSKY: I was able to send it to you right away. When these people start coming to me for their money. . . .

CW-1: Right

BORTNOVSKY: They're like, they want their money back right away. I was like, 'Dude, I can't just start [UI] my entire portfolio like that, you know.

CW-1: Right.

BORTNOVSKY: Basically, I am hanging on by a thread. So, I figured, dude, if I could fucking load up on this thing. First of all, my, my buddy tilted me. I don't know if you saw, HOME got acquired. Just now. Did you see that?

CW-1: I didn't see that.

BORTNOVSKY: The same private equity that was buying it back then, the deal fell through, came in and bought them at \$38 a share.²⁰

CW-1: They just got bought?

BORTNOVSKY: Two months ago.

CW-1: What?

BORTNOVSKY: It's public information.

CW-1: I didn't see that. \$38 a share?

BORTNOVSKY: \$38 a share. They did a deal at \$36. And then they ended up stepping it up and giving them 38 instead. I swear, on their own, they stepped it up and gave them more money.

CW-1: Yeah, your friend, your friend's, your friend's info there wasn't so helpful.

BORTNOVSKY: I mean listen, it was very helpful, because there were, they were right in some sense, but. . . .

CW-1: Some very, some very, whatever.

BORTNOVSKY: Listen, dude that stock went to a dollar.

CW-1: Dude.

BORTNOVSKY: We got out fucking [UI] small profit. You know.

CW-1: I wish, I wish, you had been talking to me when, you saw Aphria and Tilray got married.²¹

²⁰ As noted above, H&F, the private equity firm that expressed interest in acquiring At Home in July and August 2017, ultimately acquired the company in or about July 2021 for \$37 per share.

²¹ On or about December 16, 2020, Aphria announced that it had entered into an agreement to be acquired by Tilray, Inc. The deal closed in May 2021.

BORTNOVSKY: I saw that there was a deal [UI]

CW-1: I wish you had been talking to me then, 'cause I wasn't getting like the real time updates from [Individual 1], like we got the first time around, but holy shit, he knew enough.

BORTNOVSKY: The whole space, you know, these guys....

CW-1: You saw what happened to Aphria?

BORTNOVSKY: Of course.

CW-1: It was like \$25 a share. I made bank.

163. The discussion subsequently turned to BORTNOVSKY's trading in Rite Aid.

CW-1: Hold on, you did good on Aphria. You didn't do good on Rite Aid. Rite Aid you didn't. . . .

BORTNOVSKY: I made some money, I made. . . .

CW-1: Aphria you made money.

BORTNOVSKY: A little bit and I made a little bit on, on. . . .

CW-1: Rite Aid is the, yeah.

BORTNOVSKY: If you remember, Aphria came down right away. Rite Aid I didn't really make much. You sold it in the pre-market.

CW-1: Yeah, 'cause I realized that this deal, I realized, because the deal was terrible for shareholders. . . .

BORTNOVSKY: I get it, but I, I'm sleeping, by the time I woke up, I don't know.

CW-1: Yeah, whatever.

SHAPIRO's False Statements to FBI Agents


164. On or about November 18, 2021, agents of the FBI approached SHAPIRO and inquired about BORTNOVSKY. SHAPIRO falsely stated that he did not know who

BORTNOVSKY was and had never heard his name. SHAPIRO also falsely stated that he had never traded in shares of Aphria or Rite Aid.

CONCLUSION

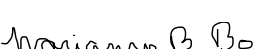
165. Based on the information set forth above, there is probable cause to believe that KRIS BORTNOVSKY and RYAN SHAPIRO committed conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371, and contrary to Title 15, United States Code, Sections 78j(b) and 78ff(a).

Respectfully submitted,



BJ Kang
Special Agent
Federal Bureau of Investigation

Subscribed and sworn telephonically on this 6th day of December, 2021



HONORABLE MARIANNE B. BOWLER
UNITED STATES MAGISTRATE JUDGE

